IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Application of: Vijay Vaidyanathan et al.
Serial No. 10/032,751
Filed: 10/27/2001
For: **DIGITAL FILE MARKETPLACE**

Examiner: Fadey S. Jabr
Art Unit: 3628

Mail Stop Appeal Brief – Patents
Commissioner for Patents
PO Box 1450
Alexandria, VA 22313-1450

Sir:

A **REPLY BRIEF** is filed herewith in response to the Examiner's Answer mailed March 13, 2008. If any fees are required in association with this Reply Brief, the Director is hereby authorized to charge them to Deposit Account 50-1732, and consider this a petition therefor.

REPLY BRIEF

A. Introduction

In response to the Examiner's Answer mailed March 13, 2008 (hereinafter "Examiner's Answer"), the Appellants submit that claims 1-40 are patentable over the references cited in the Final Office Action mailed September 25, 2007. In particular, none of the cited references, either alone or in combination, disclose that if a second user downloads a file from a third party website, paying a first user a reseller commission for the sale of a file owned by a content owner and then paying the content owner a payment based on a retail price minus the reseller commission, where the first user downloaded the file from a digital marketplace and resold the file on the third party website. In addition to this shortcoming, none of the cited references, either alone or in combination, disclose all the features recited in all of the dependent claims.

B. Rejections

Claims 1, 3-7, 10-12, 14-18, and 21-23 were rejected under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent No. 6,587,837 B1 to *Spagna et al.* (hereinafter "*Spagna*") in view of U.S. Patent Application Publication No. 2002/0146122 A1 to *Vestergaard et al.* (hereinafter "*Vestergaard*") and further in view of U.S. Patent Application Publication No. 2007/0005432 A1 to *Likourezos et al.* (hereinafter "*Likourezos*").

Claims 2, 13, 23-27, and 30-37 were rejected under 35 U.S.C. § 103(a) as being unpatentable over *Spagna* in view of *Vestergaard* and *Likourezos*, and further in view of U.S. Patent Application Publication No. 2003/0023505 A1 to *Eglen et al.* (hereinafter "*Eglen*").

Claims 8, 9, 19, and 20 were rejected under 35 U.S.C. § 103(a) as being unpatentable over *Spagna* in view of *Vestergaard* and *Likourezos*, and further in view of U.S. Patent No. 5,819,092 to *Ferguson et al.* (hereinafter "*Ferguson*").

Claims 28, 29, and 38-40 were rejected under 35 U.S.C. § 103(a) as being unpatentable over *Spagna* in view of *Vestergaard*, *Likourezos*, and *Eglen*, and further in view of *Ferguson*.

C. Arguments

Claims 1, 3-7, 10-12, 14-18, and 21-23 were rejected under 35 U.S.C. § 103(a) as being unpatentable over *Spagna* in view of *Vestergaard* and further in view of *Likourezos*. The Appellants respectfully traverse the rejection.

According to Chapter 2143.03 of the M.P.E.P., in order to "establish *prima facie* obviousness of a claimed invention, all the claim limitations must be taught or suggested by the prior art." The Appellants submit that neither *Spagna*, *Vestergaard*, nor *Likourezos*, either alone or in combination, discloses all the features recited in claims 1, 3-7, 10-12, 14-18, and 21-23. More specifically, claim 1 recites a method for providing an online digital marketplace comprising, among other features, if a second user downloads a file from a third party website, paying a first user a reseller commission for the sale of a file owned by a content owner and then paying the content owner a payment based on a retail price minus the reseller commission, where the first user downloaded the file from a digital marketplace and resold the file on the third party website. Claims 12 and 23 include similar features. The Appellants submit that none of the references, either alone or in combination, disclose the feature of, if a second user downloads a file from a third party website, paying a first user a reseller commission for the sale of a file owned by a content owner and then paying the content owner a payment based on a retail price minus the reseller commission, where the first user downloaded the file from a digital marketplace and resold the file on the third party website.

As correctly pointed out by the Patent Office, *Spagna* does not disclose paying a content owner a payment based on a retail price minus a reseller commission. (*See* Examiner's Answer, page 19). Therefore, *Spagna* cannot disclose paying a content owner a payment based on a retail price minus a reseller commission when a first user downloaded a file from a digital marketplace and resold the file on a third party website. Similarly, neither *Vestergaard* nor *Likourezos* discloses this feature. Nonetheless, the Patent Office asserts that *Vestergaard* discloses that a commission to a third party seller is a percentage of the gross receipts of a content owner. (*See* Examiner's Answer, page 19). The Appellants respectfully disagree. While *Vestergaard* does disclose that a MPE Distributor field 246, which relates to a distributor server 136, is set to a default of 25% of gross receipts (*see Vestergaard*, paragraph **[0152]**), *Vestergaard* does not disclose that the distributor server 136 is a first user as recited in the claims, where the distributor server 136 has downloaded a file from a digital marketplace and has resold the file on a third party website. Instead, *Vestergaard* discloses that a content owner 132 interacts with the distributor server 136 to make a list of available files on the distributor server 136. (*See Vestergaard*, paragraph **[0090]**). More specifically, the content owner 132 provides the files to the distributor server 136. The distributor server 136 does not search for files posted on a digital

marketplace to resell on a third party website. As the distributor server 136 is not a first user as recited in the claims, *Vestergaard* cannot disclose that if a second user downloads a file from a third party website, paying a first user a reseller commission and then paying a content owner a payment based on the retail price minus a reseller commission. Therefore, *Vestergaard* does not address the problems of *Spagna*, which were acknowledged by the Patent Office.

Likewise, *Likourezos* does not disclose the feature of, if a second user downloads a file from a third party website, paying a first user a reseller commission for the sale of a file owned by a content owner and then paying a content owner a payment based on a retail price minus the reseller commission, when a first user downloaded a file from a digital marketplace and resold the file on a third party website. The Patent Office supports the rejection by asserting that *Likourezos* discloses paying a seller an amount equal to a charged amount minus a commission and a transaction fee. (See Examiner's Answer, page 19). The Appellants submit that, at most, *Likourezos* discloses that after the seller has sold their product using the electronic website, the owner is paid an amount equal to a charged amount minus a commission and a transaction fee. (*See Likourezos*, paragraph **[0010]**). However, according to *Likourezos*, the buyer does not download a file from the electronic website. Instead, the seller ships the item when payment confirmation is received. (*See Likourezos*, paragraph **[0010]**). The buyer cannot download a file from the electronic website, as recited in the claims. Thus, *Likourezos* cannot disclose that if a second user downloads a file from a third party website, paying a first user a reseller commission set for the file and paying that content owner a payment based on the retail price minus the reseller commission, when a first user downloaded a file from a digital marketplace and resold the file on a third party website. Accordingly, claims 1, 12, and 23 are patentable over the cited references. Similarly, claims 3, 5-7, 10, 11, 14, 16-18, 21, and 22, which variously depend from either claim 1 or 12, are patentable for at least the same reasons along with the novel features recited therein.

Claim 4, which depends from claim 1, recites that the content owner may set the retail price "negatively." Claim 15, which depends from claim 12, includes similar features. The Appellants submit that none of the references, either alone or in combination, disclose the feature of setting a negative retail price where a content owner pays a consumer to download a file. (*See* Specification, page 9, lines 6-10). The Patent Office supports the rejection by indicating that *Vestergaard* discloses this feature in paragraph **[0112]** and that *Vestergaard* discloses that

compensation is a percentage of gross revenues or based on a flat rate. (*See* Examiner's Answer, pages 20 and 21). The Appellants respectfully disagree that *Vestergaard* discloses setting a negative retail price where a content owner pays a consumer to download a file. Regarding the disclosure in paragraph **[0112]**, at most, the cited portion discloses allowing a consumer access to a MPE file 110 for free. (See *Vestergaard*, paragraph **[0112]**). However, *Vestergaard* goes on to state that in exchange for the access, the consumer is required to do something else, such as requiring the consumer 130 to visit a website. (See *Vestergaard*, paragraph **[0112]**). The Appellants submit that this fails to disclose the feature of setting a negative retail price where a content owner pays a consumer to download a file for at least two reasons. First, at most, consumers are granted access for free. Consumers are not paid to access the MPE 110. Second, according to *Vestergaard*, consumers are required to do something in return, i.e., visit a website. Thus, the consumer 130 is not being paid to do anything and instead is being asked to do something in return for free access.

Regarding the disclosure in *Vestergaard* relating to compensation, the compensation is a percentage of gross revenue. (See *Vestergaard*, paragraph **[0152]**). The Appellants submit that this has nothing to do with a content owner paying a consumer to download a file. Instead, this relates to a distributor 136 profiting from the distribution of a file 110, which is the exact opposite of paying a consumer to download a file. (See *Vestergaard*, paragraph **[0152]**). For this reason and the reasons noted above, claims 4 and 15 are patentable over the cited references.

Claims 2, 13, 23-27, and 30-37 were rejected under 35 U.S.C. § 103(a) as being unpatentable over *Spagna* in view of *Vestergaard* and *Likourezos*, and further in view of *Eglen*. The Appellants respectfully traverse the rejection.

Claim 23 recites a method for providing an online digital marketplace comprising, among other features, if a second user downloads a file from a third party website, paying a first user a reseller commission for the sale of a file owned by a content owner and then paying the content owner a payment based on a retail price minus the reseller commission where the first user downloaded the file from a digital marketplace and resold the file on a third party website. Claim 33 includes similar features. The Appellants submit that none of the references, either alone or in combination, disclose the feature of, if a second user downloads a file from a third party website, paying a first user a reseller commission for the sale of a file owned by a content owner and then paying the content owner a payment based on a retail price minus the reseller

commission where the first user downloaded the file from a digital marketplace and resold the file on a third party website. As detailed above, neither *Spagna*, *Vestergaard*, nor *Likourezos*, either alone or in combination, discloses this feature. Similarly, *Eglen* does not disclose this feature. As such, claims 23 and 33 are patentable over the cited references and the Appellants request that the rejection be withdrawn. Claims 24-27, 30-32, and 34-37, which variously depend from either claim 23 or claim 33, are patentable for at least the same reasons along with the novel features recited therein.

Regarding claims 2 and 13, as detailed above, claims 1 and 12, the base claims from which claims 2 and 13 respectively depend, are patentable over *Spagna*, *Vestergaard*, and *Likourezos*. Moreover, as detailed above, *Eglen* does not address the previously noted shortcomings of *Spagna*, *Vestergaard*, and *Likourezos*. Accordingly, claims 2 and 13 are patentable over the cited references and the Appellants request that the rejection be withdrawn.

Claims 8, 9, 19, and 20 were rejected under 35 U.S.C. § 103(a) as being unpatentable over *Spagna* in view of *Vestergaard* and *Likourezos*, and further in view of *Ferguson*. The Appellants respectfully traverse the rejection. As mentioned above, *Spagna*, *Vestergaard*, and *Likourezos* fail to disclose all the features recited in claims 1 and 12, the base claims from which claims 8, 9, 19, and 20 ultimately depend. In addition, *Ferguson* fails to address the previously noted shortcomings of *Vestergaard*. As such, claims 8, 9, 19, and 20 are patentable over the cited references and the Appellants request that the rejection be withdrawn.

Claims 28, 29, and 38-40 were rejected under 35 U.S.C. § 103(a) as being unpatentable over *Spagna* in view of *Vestergaard*, *Likourezos*, and *Eglen*, and further in view of *Ferguson*. The Appellants respectfully traverse the rejection. Claims 28, 29, and 38-40 depend from claim 23 or 33. As detailed above, claims 23 and 33 are patentable over *Spagna*, *Vestergaard*, *Likourezos*, and *Eglen*. In addition, *Ferguson* does not disclose the features missing from *Spagna*, *Vestergaard*, *Likourezos*, and *Eglen*. As such, claims 28, 29, and 38-40 are patentable over the cited references and the Appellants respectfully request that the rejection be withdrawn.

D. Conclusion

As set forth above, none of the cited references, either alone or in combination, disclose the feature of, if a second user downloads a file from a third party website, paying a first user a reseller commission for the sale of a file owned by a content owner and then paying the content

owner a payment based on a retail price minus the reseller commission where the first user downloaded the file from a digital marketplace and resold the file on the third party website. Moreover, none of the cited references, either alone or in combination, disclose all the features recited in all of the dependent claims, as previously noted. As such, the Appellants request that the Board reverse the Examiner and instruct the Examiner to allow the claims.

Respectfully submitted,

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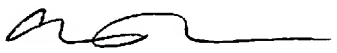
By: 

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